

Westfield Fiber Board Meeting Minutes October 4, 2010

The Westfield Fiber Board met on Monday, October 4, 2010 at the Westfield City Hall. A quorum was called; members present were Mayor Andy Cook, Dr. Mark Keen, & Bruce Hauk. Also in attendance were Matt Skelton, Eric Bishop, Dan Brita & Dave Mundy. Once the quorum was recognized, the meeting began at 10:34 a.m.

The introduction was given by Eric Bishop.

Approval of Fiber Board Minutes from July 14, 2010

After reading the minutes prior to the meeting, Dr. Keen made a motion to approve the minutes. Bruce Hauk seconded the motion. Eric Bishop passed the minutes to the board members for their approval signatures.

Dave Mueller joined the meeting.

Q3/2010 Memorandum: Revenues, Expenses and Asset Value

Eric Bishop commented that the current four carriers are still Indiana Fiber Network, LightBound, First Mile & Zayo. We have no new providers at this time. Mr. Bishop added that three of the four providers are local, with Zayo being the international company. Mr. Bishop stated that future companies that we are currently working with are TDS, Cinci Bell, U.S. Signal, TLS Net & Time Warner. Dr. Keen asked if the future providers are the companies we're pursuing and they're ready to become providers. Mr. Bishop replied that they are not yet ready because they prefer to be providers in places with large anchor tenants and big business like Eli Lilly. Until we get some larger businesses they will be reluctant to become providers. We have had difficulties with Time Warner, but are working on creating a better business relationship. We are working with Cinci Bell, but have not had any luck with them. The other two have been contacted, but have not returned the phone calls. Mayor Cook asked if Mr. Bishop had blanketed the potentials so far. Mr. Bishop replied that he has contacted all of them and noted that the places like the flower shops and eateries are not going to join in on it. There are a few out there like the corrugating companies and new activities that have not been covered. According to Kurt Wanninger, Bruce Hauk has a new lead that he is going to give to him this week. Mayor Cook asked Mr. Bishop for confirmation that most of the potentials will come from new growth. Mr. Bishop agreed. Mr. Bishop explained that once the new sports complex begins we can connect and go across 196th to create a loop. Dr. Keen asked if the fiber is complete to the water towers. Mr. Bishop replied that it is complete only to the South towers, the 171st Street tower and getting ready to put fiber in to the Cool Creek cell tower & the Duke sub-station. Dr. Keen asked if there are interests in it. Mr. Bishop confirmed that there are interests through IFN and AT&T as soon as their current contracts are expired. Mr. Bishop went on to say it usually takes about 6 months to get activity once it's installed. He then stated that he has had companies offer to buy out current tenants

WestfieldConnects Build Matrix and Agreement Spreadsheet (Contract Review)

The new franchise agreements for this quarter states that Zayo has agreed to a \$65,000 contract for the 146th Street fiber to the tower. They're agreeing to four fibers and the City will inherit the assets, so we can offer it up to any business that's in that route. That's an increase in the expansion and the value of the network. Bruce Hauk asked if they'll still pay the monthly access fees. Mr. Bishop replied that they will still have to pay the fees and explained that they donate a \$65,000 build to us it'll reduce their franchise

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fee by half, so it's \$150 a month instead of \$300, plus they donate the \$65,000 for construction. Mr. Bishop went on to say that there are two ways to build it, either Westfield Connects builds it and the providers have to pay full fees for access and the site connection fee or they build it, which cuts the fees in half and the providers don't have to pay a site connection fee.

The three miles of Fiber that Zayo built will be donated to the City increased the value of the network by \$125,000. The City will be building the fiber at the Cool Creek tower, so the revenue will be \$300 a month and \$5500 for site connection. The recent site connections were Altex on SouthPark Drive & RCS on Westfield Park Drive with First Mile service. First Mile also created a build for MaxIT at Cool Creek Business Park, near Bucky's. The fiber runs from 171st down cool creek, across the Midland Trail.

Hoosier Heritage Port Authority

State Road 32 Fiber Access

Mr. Bishop announced that he is now a voting member on the Hoosier Heritage Port Authority Board. Mr. Bishop replaced Mark Goshorn, Technical Operations- Westfield Informatics Dept., since Mr. Goshorn resigned from the City of Westfield. Mr. Bishop attended his first meeting the week of Sept. 27th. Mr. Bishop reported there are currently 144 net routes on SR32, six are being used, so we are trying to get Port Authority to open it up, so IFN can use it and create a loop around Hamilton County, which is \$1200 a month revenue. Mayor Cook reminded Mr. Bishop to let him know if there is anything that he (Mayor Cook) needs to address on this topic with the County. Mr. Bishop agreed and stated that John Rogers talks to county commissioner Christine about once a month. Mr. Bishop stated that in comparison Fishers uses fiber for commercial purposes, but they go on a standard IRU and accrue \$350 a year off of 2 mile, 2 pair fiber and we accrue that in a month on our lowest lease price. Bruce Hauk stated that we will work out an agreement where we can get a 15% commission. Mr. Bishop also stated that the Port Authority's budget is \$110,000 a year and we are already pulling that in a year. They get their budget from taxing all the cities.

Backup Internet- Public IP Space

Prior to Mr. Goshorn resigning, he was working on a project on back up internet costs public IP space. Mr. Bishop is now working on the project so he talked to Thane Morgan to find out that the costs and IP space is not an issue, so all we need to do is put in a request with Port Authority, so that will be resolved soon. Dan Brita asked Mr. Bishop if Westfield Schools use the internet back-up and Mr. Bishop replied that the schools can use the back-up internet. Dan also wants to meet with the city to explore his data back-up options.

Q3/2010: New Revenues

Mr. Bishop stated that the payments have arrived from the invoices that were sent out, with the exception of First Mile MaxIT because it is still in negotiations with Craig Kunkle of First Mile.

Q4/2010: Revenue Opportunities (New Builds)

Mr. Bishop reiterated that the SR32 IFN Gig transport is currently a possible opportunity once it gets worked out with Port Authority. Mayor Cook asked if Hamilton County Commissioner Altman is speaking favorably on this project. Mr. Bishop replied that John Rogers has talked to her and she likes the idea.

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Q4/2010 Updated GIS Fiber Map

We are just waiting on an update on the status and a fiber map and how much is available. Mr. Bishop updated that Sylvania will be \$900 a month, not \$300 as shown.

Revenue and Expense Management

Mr. Bishop reviewed and discussed the cash flow status.

Mr. Dave Mueller asked if there is much activity going on with large operator's buying dark fiber from us. Mr. Bishop replied FiberTech in Carmel has bought out and that so far, no company has actually purchased fiber from the City of Westfield. Mr. Bishop went on to explain that Zayo used to be dark fiber only. Originally, they were Indiana Fiber Works and they were bought out by Zayo when it was dark fiber, but they have changed and now they only do lit services.

Mr. Dave Mueller asked about the value of the fiber with the schools.

Dr. Keen & Mr. Bishop explained that we do not have a way to know the value without having an audit performed and we are not ready to do that at this point.

Mr. Bishop stated that a case study was performed on IMMI and found that there are savings, there's an asset on value, and the way that we are able to get the fiber out reduced our cost on construction by about 60%.

Mr. Mueller asked if there are any other schools doing the fiber the way Westfield is doing it. Mr. Bishop replied that there are no other schools doing it the way we do it, except Fishers, they lease their fiber on an IRU, which allows customers or entities to use 2 pair of fiber for a set amount of miles for \$350 a year. We do it based on revenue sharing models, so we make in one month what Fishers makes in a year.

With no more business, Mayor Andy Cook made a motion to adjourn at 11:11 a.m.

Dr. Keen seconded motion.

Andy Cook, Mayor
City of Westfield

Bruce Hauk, Deputy Mayor
City of Westfield

Dr. Mark Keen, School
Superintendent
Westfield Washington Schools

Not in Attendance
Dennis Ells, School Board
Westfield Washington Schools